

Message Text

LIMITED OFFICIAL USE

PAGE 01 TOKYO 18790 230739Z
ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 AID-05 CEA-01 CIAE-00 COME-00
EB-07 FRB-03 INR-07 NSAE-00 CIEP-01 SP-02 STR-04
TRSE-00 LAB-04 SIL-01 OMB-01 /056 W
----- 102816 /21

R 230635Z DEC 76
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 4368
INFO USMISSION EC BRUSSELS
USMISSION OECD PARIS

LIMITED OFFICIAL USE TOKYO 18790

DEPT PASS OECD CAPITALS AS INFO

E.O. 11652: N/A
TAGS: EWWT, EEC, JA
SUBJECT: EC/JAPAN TRADING RELATIONS: SHIPBUILDING TALKS

REF: EC BRUSSELS 12429

1. SUMMARY: EC AND JAPAN HAVE FAILED TO REACH ANY AGREEMENT ON SHIPBUILDING MARKET SHARING. ADDITIONAL DATA WILL BE EXCHANGED, MATTER TO BE PURSUED THROUGH OECD MEETING IN JANUARY. IN CONTRAST TO APPARENT FLEXIBILITY AND UNDERSTANDING DISPLAYED BY JAPANESE IN REGARD TO OTHER EUROPEAN TRADE SENSITIVITIES, GOJ IS TAKING A TOUGH LINE. END SUMMARY.

2. DESPITE TWO DAYS OF INTENSIVE DISCUSSIONS, EC AND GOJ DELEGATIONS FAILED TO REACH ANY AGREEMENT ON 50-50 SHARING OF SHIPBUILDING MARKET AS DESIRED BY EC. TWO SIDES DID AGREE TO A MONTHLY EXCHANGE, BEGINNING IN JANUARY, 1977, OF STATISTICS INCLUDING NEW ORDERS, CANCELLATIONS AND TONNAGE ON HAND (BACKLOG). GOJ ALSO
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TOKYO 18790 230739Z

INDICATED IT IS PREPARED TO BEGIN "MONITORING", FOR ITS OWN INFORMATION, THE EXPORT PRICES OF SMALL AND MEDIUM SIZE: I.E., UNDER 2500 GROSS TONS, SHIPS. (GOJ ALREADY MONITORS EXPORT PRICES OF LARGER SIZE VESSELS).

3. DURING PRESS CONFERENCE FOLLOWING TALKS, EC SPOKESMAN

CONFIRMED THAT "NO BASIC SOLUTION" HAD BEEN REACHED AND STATED THAT EC MEMBERS WOULD CONTINUE TO STUDY "AUTONOMOUS MEASURES" TO PROTECT THE EUROPEAN SHIP-BUILDING INDUSTRY. CONSULTATIONS WILL BE CONTINUED AT THE JANUARY OECD MEETING.

4. COMMENT: AS EXPECTED, THE JAPANESE SHIPBUILDING INDUSTRY--AND BY IMPLICATION, THE GOJ--IS TAKING A TOUGH STAND AGAINST EC DEMANDS TO FURTHER CARTELIZE WORLD PRODUCTION. IN OTHER AREAS, E.G., AUTOMOBILES, THE JAPANESE ARE APPARENTLY BEING MORE FORTHCOMING. THE DIFFERENCES SEEM TO BE IN THE GENERAL ECONOMIC HEALTH OF THE INDUSTRIES CONCERNED AND THE POTENTIAL FOR DEVELOPING ALTERNATIVE MARKETS. ALTHOUGH THE JAPANESE SHIPBUILDING INDUSTRY HAS RECOVERED SLIGHTLY FROM LAST YEARS SLUMP, PROSPECTS FOR FURTHER RAPID RECOVERY REMAIN UNDER THE BEST OF PROGNOSTICATIONS. FROM THE JAPANESE POINT OF VIEW, THE EUROPEANS ARE ASKING NO LESS THAN FOR JAPAN TO VOLUNTARILY GIVE UP FUTURE MARKETS FOR NON-COMPETITIVE REASONS.

5. WE ALSO NOTE THAT FROM A U.S. INTERESTS POINT OF VIEW, IF JAPANESE SHIPBUILDERS ARE FORCED TO CURTAIL PRODUCTION IN RESPONSE TO EC PRESSURES, JAPANESE STEELMAKERS WILL ALSO BE HURT. SHIPBUILDERS CURRENTLY TAKE ABOUT 6.5 PERCENT OF JAPANESE STEEL PRODUCTION. SHOULD DEMAND FROM THIS INDUSTRY FALL SUDDENLY, JAPANESE STEELMAKERS WILL HAVE TO LOOK TO EXPORTS TO TAKE UP THE SLACK OR CUT PRODUCTION.
HODGSON
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 TOKYO 18790 230739Z

NOTE BY OC/T: NOT PASSED OECD CAPITALS.

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SHIPBUILDING INDUSTRY, DIPLOMATIC DISCUSSIONS, REGIONAL ORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976TOKYO18790
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760470-1027
From: TOKYO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761215/aaaaamur.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 EC BRUSSELS 12429
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 06 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06 APR 2004 by ShawDG>; APPROVED <06 APR 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC/JAPAN TRADING RELATIONS: SHIPBUILDING TALKS
TAGS: EWWT, PORG, JA, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006